

# Ag Report

In cooperation with

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Agriculture and Commerce

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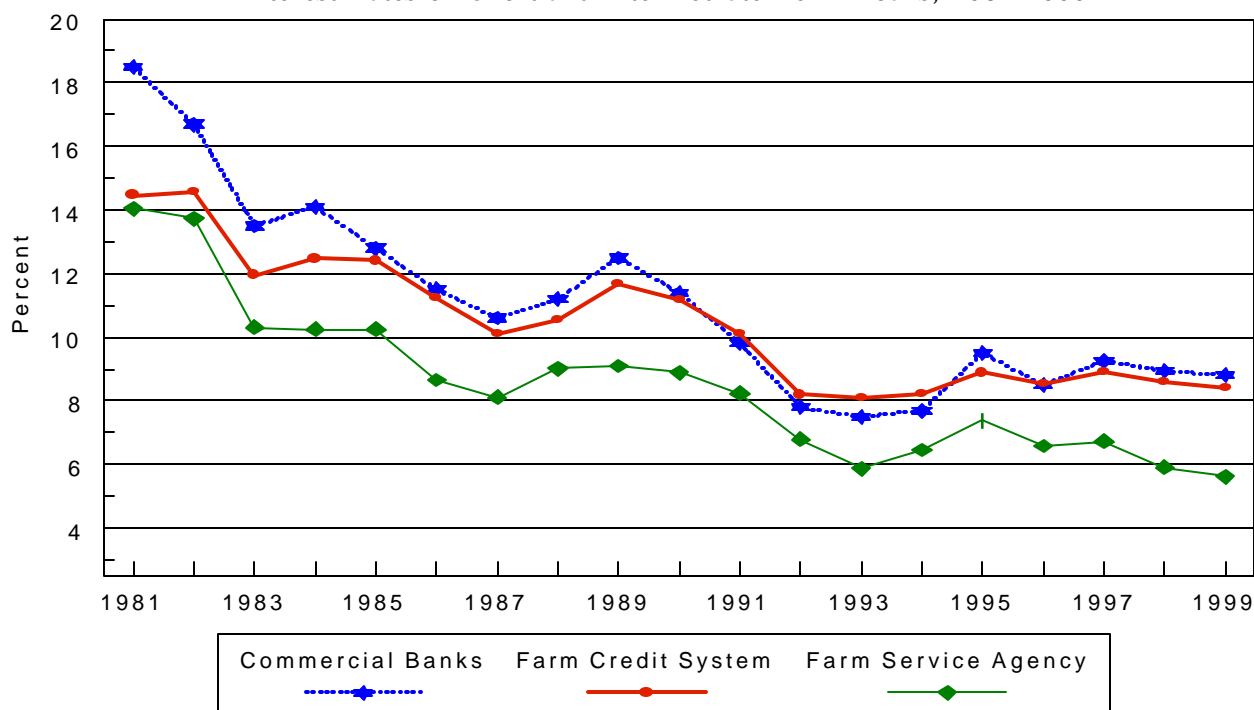
## Message from the State Statistician

At the beginning of the year I told you we would make an effort to enhance the value of this report. In this spirit we have decided to furnish some interesting statistics published by our sister agency, the Economic Research Service of the U.S. Department of Agriculture.

Although our agency was not involved in the collection of these statistics, I found them interesting and thought you would also. The name of the report that is the source of these statistics is Agricultural Income and Finance - Situation and Outlook (A15-74). Questions about this information should be directed to the authors of that report.

Keep watching these reports for new and interesting statistics about U.S. Agriculture.

Interest Rates on Short and Intermediate Term Loans, 1981-1999



Sources: Board of Governors of the Federal Reserve System, Economic Research Service, various Farm Credit District Banks, and Farm Service Agency.

## US Farm Loan Losses (net charge-offs), by Lender, 1987-1999

Year	Commercial Banks <sup>1/</sup>		Farm Credit System <sup>2/</sup>		Farm Service Agency <sup>3/</sup>		Exhibit: Life Insurance Company Foreclosures <sup>4/</sup>	
Million Dollars (Percent of loans outstanding at end of period) <sup>5/</sup>								
1987	540	(1.8)	488	(0.9)	1,199	(4.3)	692	(7.5)
1988	142	(0.5)	413	(0.8)	2,113	(8.4)	364	(4.0)
1989	98	(0.3)	-5	(-0.0) <sup>6/</sup>	3,297	(12.4)	204	(2.3)
1990	57	(0.2)	21	(0.0) <sup>6/</sup>	3,199	(13.5)	85	(0.9)
1991	139	(0.4)	47	(0.1)	2,289	(10.4)	95	(1.0)
1992	93	(0.3)	19	(0.0) <sup>6/</sup>	1,887	(9.1)	148	(1.8)
1993	60	(0.2)	-2	(-0.0) <sup>6/</sup>	1,768	(9.4)	96	(1.1)
1994	75	(0.2)	-26	(-0.1)	1,353	(7.5)	42	(0.5)
1995	63	(0.2)	-5	(-0.0) <sup>6/</sup>	1,041	(6.0)	73	(0.8)
1996	109	(0.3)	48	(0.1)	1,344	(7.9)	82	(0.8)
1997	79	(0.2)	27	(0.0) <sup>6/</sup>	825	(5.0)	16	(0.2)
1998	102	(0.2)	68	(0.0) <sup>6/</sup>	735	(4.7)	27	(0.2)
1999 <sup>7/</sup>	125	(0.3)	152	(0.2)	586	(3.6)	1	(0.0)

<sup>1/</sup> Calendar year data for non real estate loans, estimated for banks not reporting this data.

<sup>2/</sup> Calendar year data.

<sup>3/</sup> Fiscal year data beginning October 1. Includes data on the insured (direct) and guaranteed farm loan programs. FSA data are not directly comparable with commercial lenders because of some accounting differences.

<sup>4/</sup> Loan charge-off data are not available for life insurance companies.

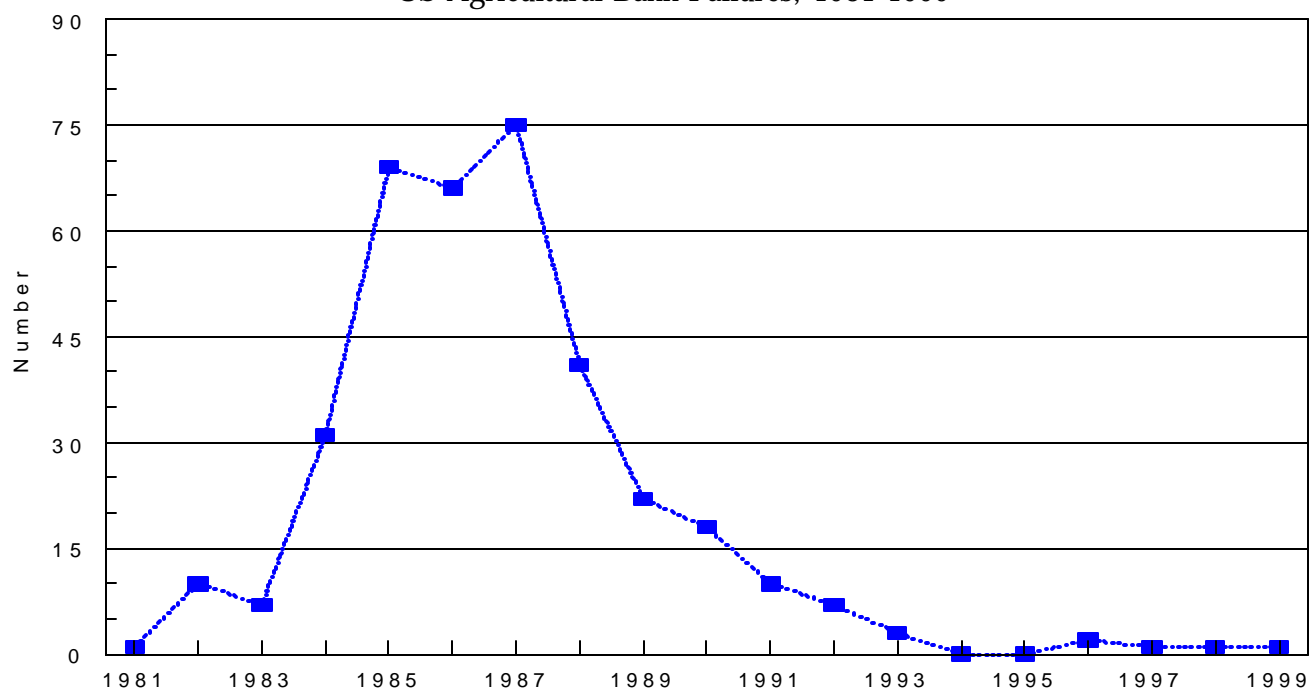
<sup>5/</sup> Loan loss data rounded to nearest million dollars.

<sup>6/</sup> Less than 0.05 percent.

<sup>7/</sup> Commercial bank data through June 30, 1999, and Farm Credit System and life insurance company data through September 30, 1999.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System. The farm Credit Council, and the Farm Service Agency.

## US Agricultural Bank Failures, 1981-1999



Source: Federal Deposit Insurance Corporation and Board of Governors of the federal reserve System.

# US Farm Credit System Financial Indicators, December 31, 1993-1998, and September 30, 1999

Item	1993	1994	1995	1996	1997	1998	1999
	Percent						
At-risk Capital/Total Loans <sup>1/</sup>	17.87	19.06	19.42	20.22	21.15	21.15	21.58
Percent of Loans in Nonaccrual Status							
or Over 90 Days Past Due	2.76	1.95	1.42	1.10	0.99	1.83	1.30
Other Expense/Total Loans <sup>2/</sup>	1.56	1.55	1.41	1.40	1.41	1.43	1.40 <sup>3/</sup>

<sup>1/</sup> At-risk capital includes allowances for losses on acquired property and loans, surplus and unprotected borrower stock and participation certificates, and the FCS Insurance Fund.

<sup>2/</sup> Excludes one-time merger implementation and restructuring costs.

<sup>3/</sup> Annualized rate based on first three quarters' performance.

Sources: Federal Farm Credit Banks Funding Corporation, Farm Credit System Annual Information Statement and Farm Credit System Quarterly Information Statement, various dates.

## US Farm Credit System District-level Financial Statistics, September 30, 1998-1999

	Total Loans	Nonaccrual Loans	Nonaccrual Loans' Share	Net income Before Taxes and Extraordinary Items <sup>1/</sup>	Total At-risk Capital <sup>2/</sup>	At-risk Capital/ Assets
	\$1,000	\$1,000	Percent	\$1,000	\$1,000	Percent
Nine Months Ending September 30, 1999						
AgAmerica	8,602,709	79,830	0.93	131,445	1,924,034	19.95
AgFirst	10,467,127	98,431	0.94	180,897	2,330,353	18.45
Agribank	17,909,281	305,072	1.70	225,332	3,801,788	17.61
Texas	4,957,146	76,622	1.55	68,959	1,145,570	21.58
Wichita	4,467,535	80,940	1.81	72,998	1,296,682	24.21
Western	6,224,019	29,080	0.47	87,585	1,282,781	17.55
CoBank, ACB <sup>3/</sup>	18,575,320	186,629	1.00	180,258	2,317,081	10.44
All Districts	71,203,137	645,976	0.91	917,373	14,104,031	16.78
Nine Months Ending September 30, 1998						
AgAmerica	7,912,610	90,682	1.15	126,129	1,789,463	20.10
AgFirst	10,073,589	79,085	0.79	179,465	2,266,419	19.04
Agribank	17,810,029	195,893	1.10	265,746	3,675,284	17.19
Texas	4,333,239	39,299	0.91	70,087	1,096,890	23.18
Wichita	4,502,498	57,459	1.28	76,778	1,224,085	22.80
Western	5,624,694	35,505	0.63	78,686	1,202,970	18.23
CoBank, ACB <sup>3/</sup>	17,072,354	333,080	1.95	228,729	2,389,403	11.39
All Districts	67,329,013	831,003	1.23	1,012,690	13,578,635	17.02
Percent Change, September 30, 1998 to September 30, 1999						
AgAmerica	8.72	-11.97	-19.03	4.21	7.52	-0.76
AgFirst	3.91	24.46	19.78	0.80	2.82	-3.11
Agribank	0.56	55.73	54.87	-15.21	3.44	2.42
Texas	14.40	94.97	70.43	-1.61	4.44	-6.90
Wichita	-0.78	40.87	41.97	-4.92	5.93	6.20
Western	10.66	-18.10	-25.98	11.31	6.63	-3.74
CoBank, ACB <sup>3/</sup>	8.80	-43.97	-48.50	-21.19	-3.03	-8.35
All Districts	5.75	-22.27	-26.49	-9.41	3.87	-1.39

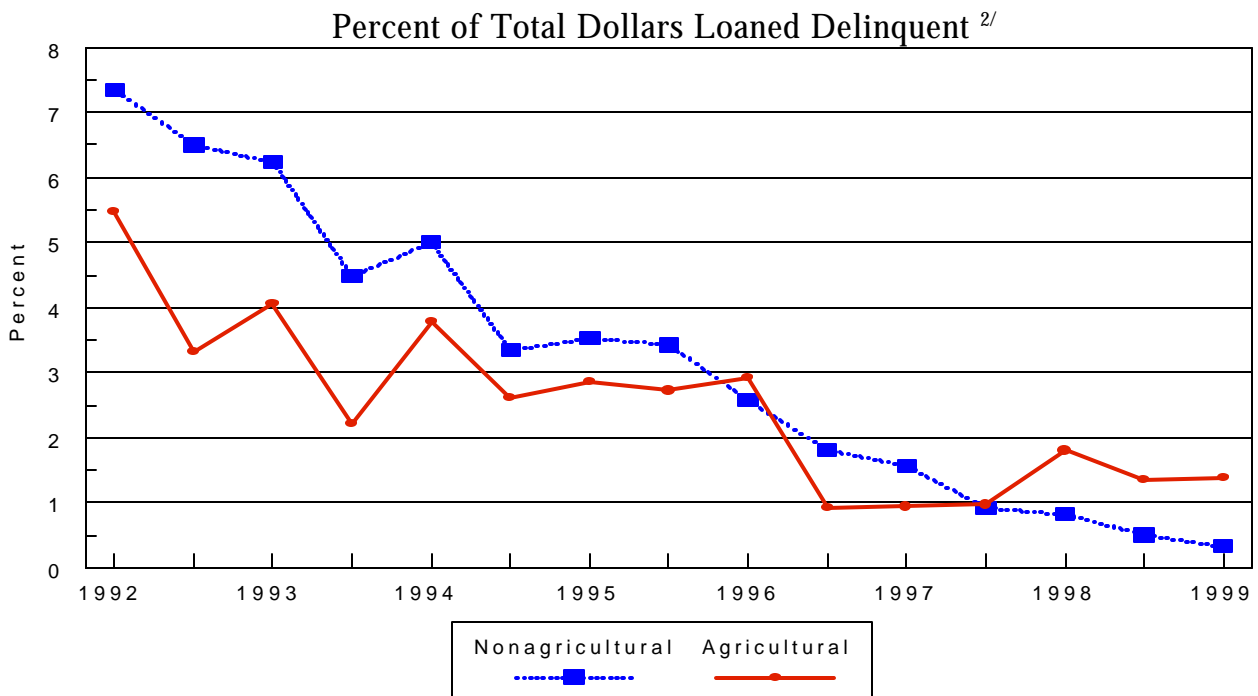
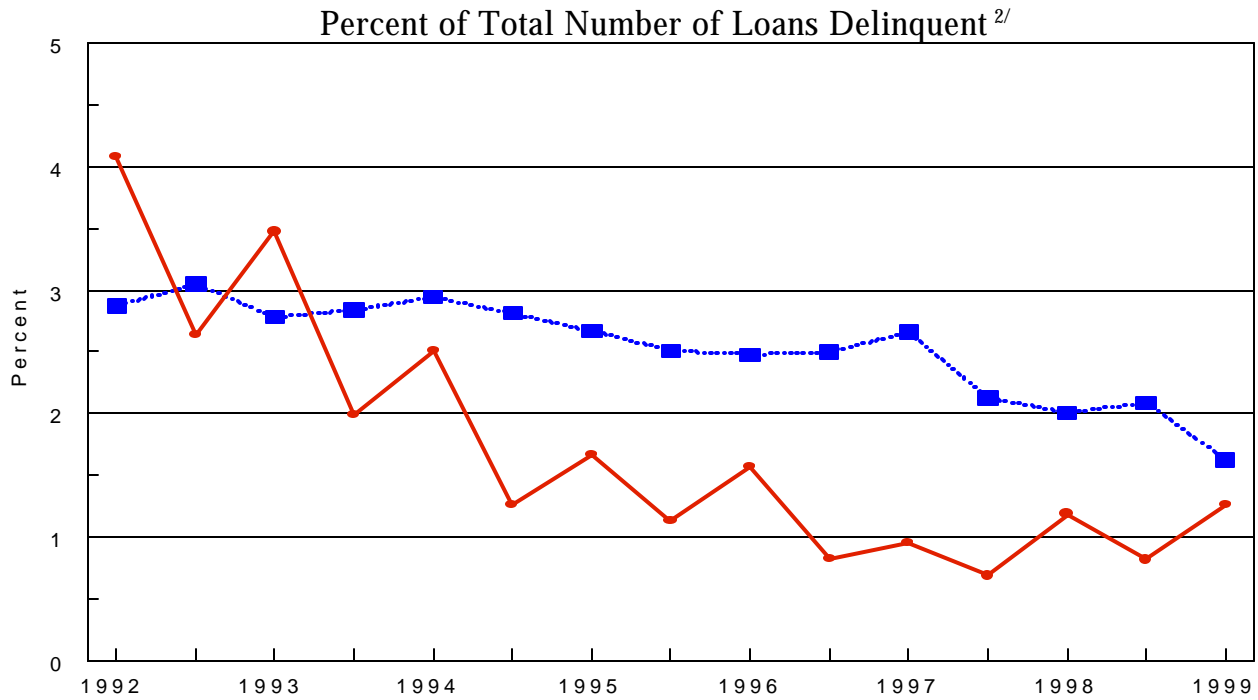
<sup>1/</sup> Excludes expenses associated with early payment of Financial Assistance Corporation Bonds.

<sup>2/</sup> At-risk capital includes allowances for losses on acquired property and loans, surplus and unprotected borrower stock.

<sup>3/</sup> The St. Paul Bank for Cooperatives merged with CoBank, ACB on July 1, 1999. To facilitate comparison, the performances of these banks are combined for periods before the merger.

Source: Federal Farm Credit Banks Funding Corporation, Summary Report of Condition and Performance of the Farm Credit System, various dates.

# US Life Insurance Company Mortgage Loan Delinquencies, 1992-1999 <sup>1/</sup> Agricultural vs Non-Agricultural Loans



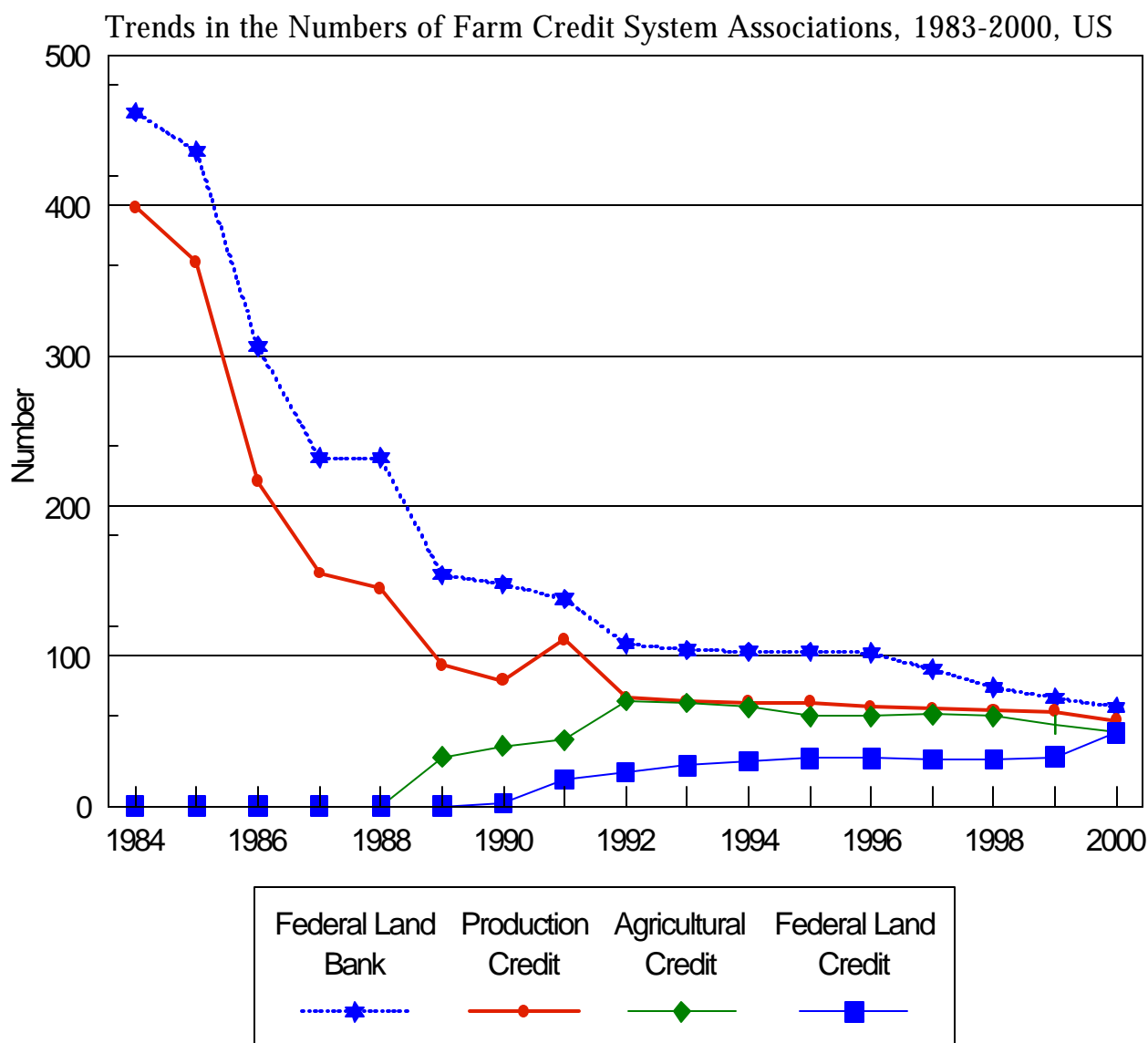
<sup>1/</sup> Delinquent loans (including loans in the process of foreclosure). A delinquent loan is a nonfarm mortgage with interest payments in arrears at least 2 months (60 days if other than a monthly pay) or a farm loan with interest in arrears more than 90 day.

<sup>2/</sup> Payments are shown in six months increments, June and December.

**US Farm Credit System Loan Volume, by Loan Type,  
December 31, 1993-1998, and September 30, 1999**

Loan Type	1993	1994	1995	1996	1997	1998	1999
Billion Dollars							
Long-Term Real Estate	28.46	28.40	28.43	29.60	30.66	32.98	34.22
Short and Intermediate Term	11.59	12.39	13.80	15.11	16.64	17.84	18.62
Loans to or for the Benefit of Cooperatives	13.86	13.89	16.36	16.47	16.14	17.08	16.82
<b>Total</b>	<b>53.91</b>	<b>54.68</b>	<b>58.59</b>	<b>61.18</b>	<b>63.44</b>	<b>67.90</b>	<b>69.66</b>

Sources: Federal Farm Credit Banks Funding Corporation, Farm Credit System Annual Information Statement and Farm Credit System Quarterly Information Statement, various dates.



Source: Farm Credit Administration.

**Farm Service Agency Farmer Program Obligations,  
September 30, 1986, to September 30, 1999, US**

Fiscal Year	Obligations <sup>1/</sup>				Outstanding Principal or Farmer Programs <sup>2/</sup>
	Total	Direct (Insured)	Guaranteed		
			Amount	Share of Total	
	Million Dollars			Percent	Million Dollars
1986	4,367.5	2,807.9	1,569.1	35.9	29,240.4
1987	3,080.5	1,515.0	1,587.4	51.5	28,147.6
1988	2,320.7	1,065.8	1,271.4	54.8	28,242.6
1989	2,229.6	1,030.1	1,199.5	53.8	26,525.6
1990	2,193.2	921.3	1,271.9	58.0	23,684.0
1991	2,124.1	633.7	1,490.4	69.2	21,992.1
1992	2,306.4	714.5	1,591.9	69.0	20,460.6
1993	2,135.2	672.7	1,432.5	67.1	18,815.5
1994	2,725.6	881.9	1,843.7	67.6	18,040.1
1995	2,501.9	563.6	1,938.3	77.5	17,451.1
1996	2,683.2	832.3	1,850.9	69.0	16,940.5
1997	2,319.2	744.8	1,574.5	67.9	16,342.7
1998	2,174.1	738.7	1,435.4	66.0	15,687.3
1999	3,839.3	1,288.9	2,550.4	66.4	16,262.3

<sup>1/</sup> Obligations are the dollar amounts of funds loaned or guaranteed, including the dollar amount of interest rate assistance provided on guaranteed loans for years prior to 1993. Excludes obligations for credit sales of acquired property. Indian land acquisition loans, and agricultural resource conservation demo loans.

<sup>2/</sup> Total outstanding principal balance of direct or insured and guaranteed program loans at year end.

Sources: Farm Service Agency, 616 Report, 4067C Report, and 205 Report, various issues.

**Farm Credit System Income Statement,  
December 31, 1993-1998, and September 30, 1999, US**

Item	1993	1994	1995	1996	1997	1998	1999 <sup>1/</sup>
	Billion Dollars						
Total Interest Income	4.35	4.68	5.59	5.78	5.94	6.12	6.04
Interest Expense	-2.39	-2.72	-3.57	-3.62	-3.75	-3.88	-3.78
Net Interest Income	1.96	1.96	2.02	2.16	2.19	2.24	2.26
Provision/Reversal for Loan losses	-0.04	-0.05	-0.04	-0.14	-0.09	-0.15	-0.18
Loss/Gain on Other Property	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Other Income	0.21	0.14	0.17	0.20	0.24	0.31	0.30
Other Expense	-0.84	-0.92 <sup>2/</sup>	-0.84 <sup>3/</sup>	-0.86	-0.90	-0.97	-0.98
Debt Repurchase	0.02	0.00	-0.01	0.00	0.00	0.00	0.00
Taxes	-0.15	-0.13	-0.14	-0.17	-0.19	-0.18	-0.16
Net Income	1.11 <sup>4/</sup>	1.01	1.17	1.20	1.27	1.25	1.24

<sup>1/</sup> Annualized rate based on first three quarters' performance.

<sup>2/</sup> Includes \$72 million in one-time merger implementation and restructuring cost.

<sup>3/</sup> Includes \$6 million in one-time merger implementation and restructuring cost.

<sup>4/</sup> Does not include one-time net income of \$104 million from changes in accounting for income taxes and nonpension post retirement benefits.

**Farm Service Agency Direct Farmer Loan Program Delinquencies,  
September 30, 1986 to September 30, 1999, US**

Year <sup>1/</sup>	Number of Active Cases <sup>2/</sup>			Principal Outstanding		
	Total	Delinquent <sup>3/</sup>		Total	Delinquent <sup>4/</sup>	
		Total	Proportion		Amount	Share of Total
	Number		Percent	Million Dollars		Percent
1986	421,651	134,565	31.9	27,575.9	6,276.5	22.8
1987	388,833	127,577	32.8	25,763.7	6,592.0	25.6
1988	376,388	137,958	36.7	25,065.0	8,321.7	33.2
1989	346,442	114,737	33.1	23,281.9	8,005.6	34.4
1990	299,069	80,341	26.9	19,544.2	6,138.8	31.4
1991	280,528	79,204	28.2	17,465.5	5,507.5	31.5
1992	251,892	73,657	29.2	15,536.7	4,804.8	30.9
1993	224,739	59,099	25.0	13,775.5	4,116.2	29.9
1994	208,130	47,723	22.9	12,622.6	3,569.9	28.3
1995	193,963	52,627	27.1	11,518.0	3,198.8	27.8
1996	182,238	42,101	23.1	10,580.2	2,419.5	22.9
1997	170,422	32,039	18.8	9,837.5	2,035.7	20.7
1998	158,863	28,005	17.6	9,149.7	1,691.6	18.5
1999	148,829	24,821	16.6	8,935.4	1,398.3	15.6

1999 by major programs

Farm ownership <sup>5/</sup>	54,424	5,752	10.6	3,576.7	173.7	4.8
Operating loans <sup>6/</sup>	46,779	10,594	22.6	2,699.0	415.2	15.4
Emergency-disaster	31,123	5,781	18.6	1,981.3	629.6	31.7

<sup>1/</sup> September 30 of year shown.

<sup>2/</sup> May include duplications because some borrowers have loans under several different programs. Prior to 1998 active cases excluded those borrowers who are foreclosure, bankruptcy, or liquidation status. Active cases do not include loans made to associations. Excludes nonprogram loans.

<sup>3/</sup> Prior to 1988 a case was considered delinquent when a payment was more than \$10 and 15 days past due. Beginning in 1988, a case is delinquent if a payment is more than 30 days past due.

<sup>4/</sup> Past due principal and interest payments.

<sup>5/</sup> Excludes loans for nonfarm enterprise purposes.

<sup>6/</sup> Excludes loans to youths.

Source: Farm Service Agency, 616 report, various issues.

**Distribution of Farm Business Debt, by Lender, December 31, 1999 <sup>1/</sup>**

	Type		
	Real Estate	Nonreal Estate	Total
	Percentage or Total		
Commercial Banks	16.3	24.0	40.2
Farm Credit System	17.1	9.9	27.0
Farm Service Agency	2.2	2.3	4.6
Life Insurance Companies	6.3	---	6.3
Individuals and Other	10.4	11.6	22.0
Commodity Credit Corporation	0.0	---	<sup>2/</sup>
Total	52.2	47.8	100.0

<sup>1/</sup> Preliminary. Due to rounding, subcategories may not add to totals.

<sup>2/</sup> This excludes CCC crop loans, which are estimated at \$1 billion at the end of calendar 1999.

Farm Service Agency Guaranteed Farmer Loan Program Delinquencies,  
September 30, 1986, to September 30, 1999, US

Year <sup>1/</sup>	Number of Active Cases			Principal Outstanding		
	Total <sup>3/</sup>	Delinquent		Total	Delinquent <sup>2/</sup>	
		Total	Proportion		Amount	Share of Total
	Number		Percent	Million dollars		Percent
1986	NA	NA	NA	1,664.5	31.4	1.9
1987	18,887	1,052	5.6	2,384.0	42.6	1.8
1988	27,519	1,298	4.4	3,177.6	54.1	1.7
1989	30,016	1,580	5.3	3,243.7	60.6	1.9
1990	36,955	1,681	4.6	4,139.8	58.5	1.4
1991	40,169	1,904	4.7	4,526.6	59.3	1.3
1992	42,189	2,376	5.6	4,923.9	102.8	2.1
1993	42,475	2,077	4.9	5,044.8	98.5	2.0
1994	44,129	1,659	3.8	5,417.5	82.3	1.5
1995	46,838	1,821	3.9	5,933.1	91.3	1.5
1996	48,468	2,311	4.8	6,360.3	112.5	1.8
1997	49,512	2,540	5.1	6,505.2	124.5	1.9
1998	48,795	2,759	5.7	6,537.7	135.4	2.1
1999	49,279	2,925	5.9	7,326.9	172.2	2.4

1999 by major programs

Farm Ownership	20,937	955	4.6	3,231.1	48.3	1.5
Operating Loans	28,279	1,955	6.9	4,090.0	123.6	3.0

<sup>1/</sup> September 30 of year shown.

<sup>2/</sup> Amount delinquent includes past payments of principal and accrued interest.

<sup>3/</sup> May include duplications because some borrowers have loans under several different programs.

NA = Not Available.

Source: Farm Service Agency, 4067 report, various issues.